

Healthwatch -- The Hill's Healthcare Blog

March 14, 2011

Two Pennsylvania lawmakers are trying to do away with a program that's been creating heartache for the wheelchair industry and other manufacturers of medical equipment for the past eight years.

Reps. Glenn Thompson (R) and Jason Altmire (D) have introduced legislation ending the Medicare competitive bidding program for durable medical equipment. They'll be joined at a press conference Tuesday with medical suppliers and long-term-care advocates united against a program they say is too blunt and would harm patients.

The Medicare program spends more than \$8 billion a year on durable medical equipment, and many experts think it overpays. Congress in 2003 passed legislation replacing standard fees with market competition among providers, but the program was repeatedly delayed due to heavy industry opposition.

Medicare finally launched competitive bidding in nine pilot sites on Jan. 1. The program is expected to cut prices by 32 percent this year.

The three-page bill, called the "Fairness in Medicare Bidding Act," would simply eliminate the program and immediately terminate any previously awarded contracts. Any damages incurred by such terminations would be paid out of the Medicare Part B and Part D trust fund.

The legislation would also rescind \$20 billion in unobligated discretionary appropriations for the program.

Legislation to terminate the program garnered 250 co-sponsors last year.

The nine pilot areas are:

- Charlotte – Gastonia – Concord (North Carolina and South Carolina);
- Cincinnati – Middletown (Ohio, Kentucky and Indiana);
- Cleveland – Elyria – Mentor (Ohio);
- Dallas – Fort Worth – Arlington (Texas);
- Kansas City (Missouri and Kansas);
- Miami – Fort Lauderdale – Pompano Beach (Florida);
- Orlando – Kissimmee (Florida);
- Pittsburgh (Pennsylvania); and
- Riverside – San Bernardino – Ontario (California).